

GROWING GREEN

An ambitious sustainability strategy
for climate stability.



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1/ FOREWORD / ABOUT MFD RAIL

Dear stakeholders,

Another interesting year came to an end. We were able to achieve a number of successes. It is particularly noteworthy that we have a strong focus on the topic of sustainability and are now proud to present our first Sustainability Report.

Who we are and what's important to us

MFD Rail is an intermodal freight railcar lessor headquartered in Rotkreuz, Switzerland. Established in 2020, we focus on the procurement, rental and maintenance of a modern railcar fleet in Europe. As of **December 31, 2024**, our fleet consists of around **6.000 platforms** and we aim to manage more than **10.000 platforms in the near future**.

We build a homogenous and modern green portfolio consisting of new, high-quality and noise reduced railcars for the intermodal transportation. As the proven intermodal specialist, we know what we are talking about and we provide the highest level of support, technological availability, and service to our customers.

We are committed to ensuring that our business is environmentally responsible, energy-efficient, carbon-neutral and financed through **green loans** 🌱.

The founders, Oaktree Capital Management, L.P. and a banking syndicate have partnered to finance the development of a freight railcar portfolio for MFD Rail, a new European platform for leasing freight railcars for combined freight transport.



Markus Basler

MARKUS BASLER

Managing Partner/CFO and ESG Officer



🌱 Key figures 2024

Railcar fleet financed by green loans: **100%**

2/ GENERAL INFORMATION



We are continuously rethinking our approach to the way we do business. We don't just think about tomorrow, but far beyond. We believe that incorporating environmental, social, corporate governance, cultural, and ethical aspects ("ESG") into our business decisions is essential. Our strategic framework for sustainable development is derived from our values and shaped by stakeholder dialogues. It is built on three strategic pillars and provides a roadmap for achieving our goals of long-term, sustainable value creation for our stakeholders.

As the lessor and maintainer of a fleet of freight railcars, We see it as our moral duty to have a positive impact on the world through responsible investing. For this reason, we incorporate the principle of the ESG policy outlined in our strategic framework throughout the entire business cycle.

We support the European Green Deal and "Fit for 55" programs. Both initiatives aim to reduce greenhouse gas emissions by at least 55% by 2030 (compared to 1990). Rail transport plays an important role in achieving this goal.

Transparency and dialogue

We seek and promote open dialogue with all stakeholders. This enables us to identify the topics that are important from our stakeholders point of view at this time and in the future. We regularly analyze the results of stakeholder dialogues and incorporate them into our sustainability strategy.

3/ ESG-POLITICS

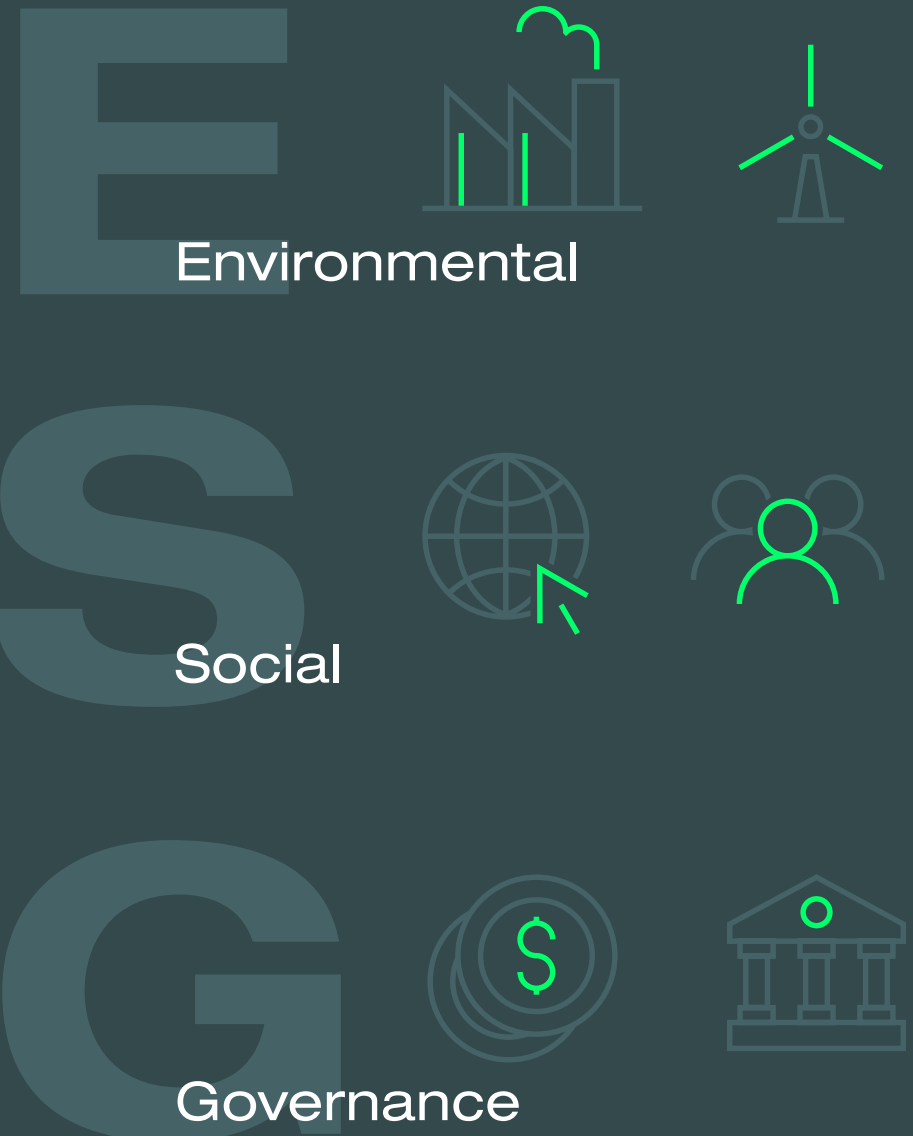
Our commitment to environmental and social corporate governance is strong and practice-oriented. At MFD Rail, the Executive Management directs the strategic orientation of the company towards sustainability and holds overall responsibility for our sustainability performance and the oversight of our sustainability reporting. Operationally, the Executive Management is tasked with enhancing performance in key sustainability areas and reports regularly to the Board of Directors.

ESG Code of Conduct

Our Code of Conduct sets out the rules of behavior that every employee must observe. These rules ensure that each employee contributes to protecting the integrity of the company and its social and environmental surroundings everywhere and at all times.

In detail, the Code of Conduct regulates values and behaviors such as:

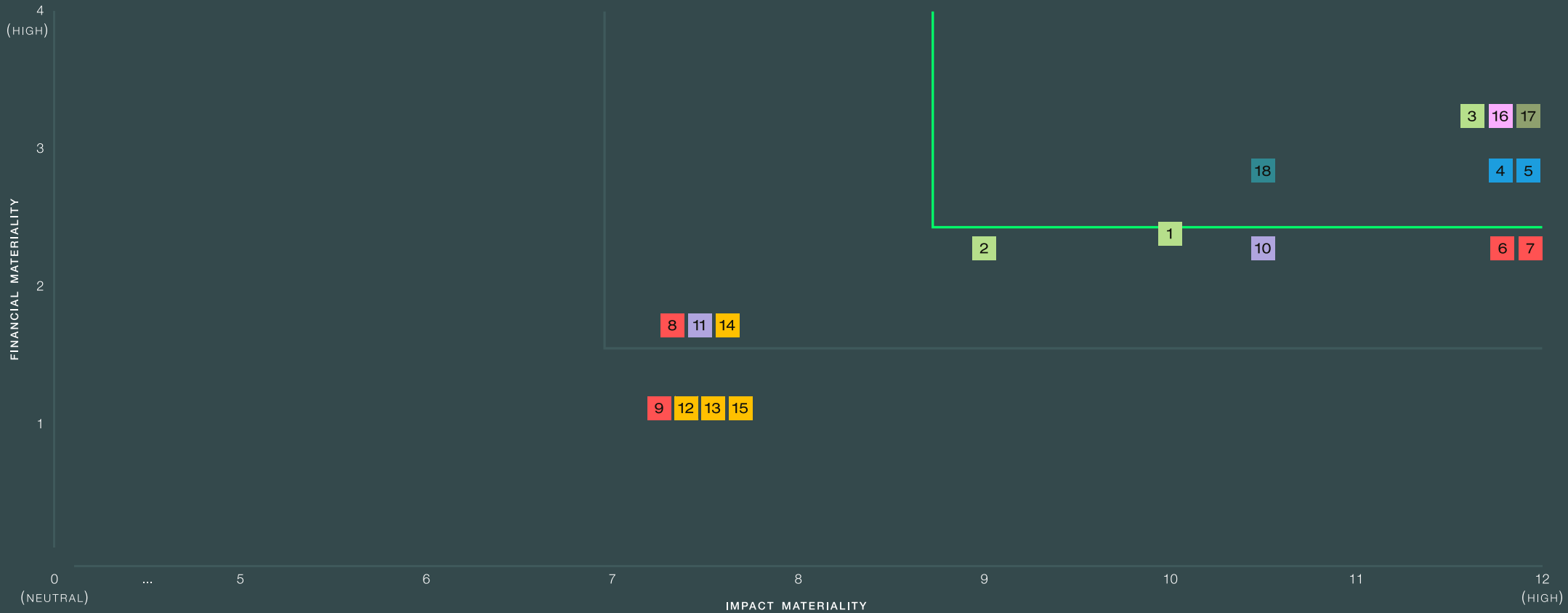
- Brand integrity
- Conflicts of interest
- Unauthorized acceptance of benefits
- Confidentiality and data protection
- Combating money laundering and financial crimes
- Fraud
- Equality and protection of employees through the disclosure of irregularities



3.1/ MATERIALITY ASSESSMENT – “DOUBLE MATERIALITY”



3.1/ MATERIALITY ASSESSMENT – “DOUBLE MATERIALITY”



- Environment**
- 1. Noise Pollution
 - 2. Energy consumption and contribution to climate change
 - 3. Contribution to climate change transition

- Social**
- 12. Diversity and inclusion
 - 13. Personal development
 - 14. Workers in the supply chain (health and safety)
 - 15. Recruitment and talent development

- Digitalization**
- 4. Telematics (GPS tracking)
 - 5. Automatic connection / coupling (DAC)

- Environment / circular economy**
- 16. Multifunctional railcars

- Governance**
- 6. Product safety
 - 7. Quality, safety and reliability
 - 8. Compliance
 - 9. Data protection

- Economic**
- 17. Economic performance

- Supply Chain**
- 10. Supply chain resilience
 - 11. Human rights in the supply chain

- Circular economy**
- 18. Material usage and waste

3.1.1/ ENVIRONMENT



Environmental protection and eco-efficiency, CO₂ emissions, biodiversity, dealing with climate change, natural resources, responsible use of energy and raw materials, environmental pollution and waste, careful water management, renewable energy and energy efficiency, environmentally friendly production, short supply chains, circular economy.

Environmental footprint

MFD Rail is convinced that rail freight transport is the solution to the apparent incompatibility between growing freight volumes and climate protection goals. The transport sector in Europe is already one of the main contributors to greenhouse gas emissions today. Progressing European integration and globalization are leading to goods needing to be transported over longer distances in the future. To protect the environment, an increasing shift of traffic from road to climate-friendly rail is essential, and this is precisely where MFD Rail's strengths lie.

As part of the "Allianz pro Schiene" initiative, which aims to shift "more goods to rail," MFD Rail is a pioneer in environmentally friendly freight transport with its young fleet of freight railcars. Through railcar-based **telematics and GPS tracking** 📍, MFD Rail can monitor **the rail kilometers for each individual freight railcar** 📍. This enables the company to calculate the total CO₂ reduction achieved by transporting goods with MFD Rail's intermodal fleet instead of by road transport.

3.1.1/ ENVIRONMENT

Contribution to climate change

As one of the emerging market leaders in freight transport, We recognize our responsibility to drive a cleaner investment strategy for assets, thereby contributing to the necessary energy transition in the transport sector and to the decarbonization pathway of the European economy as a whole.

In this context, the issuance of a green loan enables us to further increase our investments in green assets, supporting European environmental goals and contributing to the development of the green bond market.

Reduction of noise pollution

While shifting more goods to rail has positive environmental impacts, it should not be overlooked that increased rail traffic can contribute to negative external effects such as noise pollution. At MFD Rail, we take the following measures: modern freight railcars equipped with state-of-the-art technology, and all railcars are fitted with noise reduced brakes to reduce the noise pollution of our fleet.

Circular economy

To support the transition from a linear to a **circular economy** 🌱, we currently focus exclusively on the procurement, leasing, and maintenance of intermodal freight railcars. We are building our business from the ground up without having to reorganize outdated structures. This approach allows us to concentrate all resources, including personnel, processes, and systems, solely on the intermodal business, offering customers “intermodal tailored”, cost-efficient, environmentally friendly, and sustainable services.



3.1.1/ ENVIRONMENT



Key figures 2024

Smart & digital fleet (telematics, GPS):	100%
Kilometers of rail:	186.958.994 km
Saved CO ₂ emissions	526.997 tCO ₂
Material circularity	57.29%
Energy purchased	35.667 kWh
Share of green energy	28%
Scope 1	4.67 tCO ₂ e
Scope 2 (market based)	0.12 tCO ₂ e

Energy and greenhouse gases

MFD Rail acknowledges that business activities have environmental impacts and strives to operate as environmentally friendly as possible. Given resource scarcity, the company analyzes ways to **reduce energy needs** 🌱, such as minimizing fossil fuel use. At the corporate level, we have developed internal communication processes aimed at promoting environmental awareness and improving employee training.

As part of our sustainability strategy and ESG policy, we commit to contributing to the reduction of global greenhouse gas emissions. We aim to reduce our Scope 1 and Scope 2 emissions, with the goal of becoming climate neutral in the near future. These emissions primarily stem from business operations. We take measures to decrease consumption and reduce environmental impact. Emissions are consolidated in tons of carbon dioxide equivalent (tCO₂e).

3.1.2/ SOCIAL, CULTURAL AND ETHICAL ASPECTS

Respect for human rights and human dignity, good workplace conditions, opportunities for education and further training, occupational safety and health protection, compliance with labour rights, enforcement of sustainability standards for suppliers, health impacts of materials and products.

Employees

We aim to create a harmonious working environment and uphold the highest standards of integrity with everyone we interact with. We continue to foster a culture that values meritocracy, openness, fairness, and transparency. All managers and employees are expected to adhere to these principles, and any behavior that violates them or undermines the development of our ESG policy will not be tolerated. The ESG policy applies to all processes related to employment, development, performance management, and compensation.

We recognize freedom of association and the right to collective representation and negotiation. Ensuring sustainable growth for our company requires **attracting and retaining talented employees** 🌱.

Together to success

At MFD Rail, we invest in **the training and development** 🌱 of our colleagues and support their growth with personalized opportunities. Our development strategy encompasses all projects and initiatives to support the development of our employees.

A great working environment

Our employees are crucial to MFD Rail's success. We do not tolerate any discrimination based on ethnic origin, cultural religion, age, disability, race, sexual identity, worldview, and gender. Embedded in our Code of Conduct and ESG Policy, we pursue a zero-tolerance policy towards discrimination against our employees, customers, and business partners. All individuals are treated equally.

It is also important to us that our employees feel empowered to express themselves and report on issues that affect them. We consistently align our efforts with our long-term goal of fostering diversity and equal opportunity.



3.1.2/ SOCIAL, CULTURAL AND ETHICAL ASPECTS

Health protection and safety

We take the necessary initiatives to protect **the health and safety** 🌱 of our employees. We have implemented a comprehensive health and safety concept, managed by a dedicated health and safety manager who oversees operational activities and collaborates with other stakeholders, such as employee representatives, to develop and refine our health and safety framework.

All employees are required to complete an annual safety training. One of our primary risks includes hazards such as fire, safety in the track area and risks of the information technology. To address these risks effectively, the health and safety manager regularly conducts process hazard analyses to ensure proactive risk management.

🌱 Key figures 2024

Overall retention rate	90%
Training and qualifications	100%
Workforce diversity	
— Gen X	78%
— Gen Y	16%
— Gen Z	6%
Health and safety: cases of..	
..employees fatalities	0
..employees injuries	0

3.1.3/ CORPORATE GOVERNANCE

Appropriate internal implementation and control measures, transparency and openness, diversity and equal opportunities, measures to prevent corruption and bribery, risk and reputation management, compliance, internal training, participation in initiatives, and support for organizations promoting ESG and sustainability in the railway sector, particularly in the leasing of rolling stock.

Directly generated and distributed economic value

Operating a profitable business model and ensuring the company's long-term profitability is part of our sustainability strategy and goals. We focus on securing long-term growth while simultaneously striving to achieve positive impacts on the planet and our stakeholders.

The responsibility for leading a **sustainable and financially healthy company** lies with the management. Our ambitions and goals are set on sustainability, taking into account megatrends and stakeholder expectations, while considering all risks.

Anti-Corruption, compliance and human rights

It is of great importance that our business operations are conducted in a socially responsible manner. We adopt a **zero-tolerance approach to bribery and corruption**. Our Anti-Bribery and Corruption Policy ensures compliance with all applicable regulations and applies to all employees, suppliers, and business partners.

The management holds overall responsibility for ensuring that this policy aligns with our **legal and ethical obligations** and that all individuals under our control comply with it. The Company Secretary is primarily responsible for implementing the policy, monitoring its application and effectiveness, and addressing questions regarding its interpretation. Any identified improvements are implemented promptly. Internal control systems and procedures are regularly reviewed to ensure they effectively combat bribery and corruption.

All employees are responsible for the success of this policy and should use it to disclose suspected risks or misconduct. Training on this policy is part of the onboarding process for all new employees, while existing staff receive regular training to ensure compliance.

At the beginning of our business relationships and as needed thereafter, we communicate our **Anti-Bribery and Corruption Policy** to our customers, suppliers, and business partners.

To ensure the reporting of potential violations of anti-corruption policies or compliance programs, we have implemented a **„compliance reporting office“** and a channel that can be used by customers, suppliers, employees, and other parties to report concerns.

3.1.3/ CORPORATE GOVERNANCE



Key figures 2024

Incidents of..	
..bribery and corruption	0
..violation agains data protection and privacy	0
..fraud	0
..violation against shareholder rights and minority	0
..discrimination	0
..violation against compliance rules	0

Customer safety and satisfaction

At MFD Rail, safety is not just a priority but a deeply rooted core value. We strive to ensure that our business activities meet high ethical standards and the expectations of our stakeholders. As we aim to ensure compliance with regulatory standards and certifications and meet our customers' expectations, we have implemented comprehensive quality management systems.

As certified ECM (Entity in Charge of Maintenance) for railcars according to EU regulations and registered as responsible ECM in ERADIS we ensure the maintenance of railcars under applicable regulations. As our company becomes increasingly digitalized, the pressure on us to protect our customers' data is growing. We have implemented a digitalization policy to ensure that **data is securely managed and stored** across all our processes.

Supply chain resilience

As rail freight transport in Europe is expected to increase in the future, with both regulators and the market pushing for a shift from road to rail transport, ensuring the resilience of our supply chain is becoming increasingly important for us. To achieve a more resilient supply chain, we implemented defined measures and maintain close collaboration with suppliers. Our approach to working with suppliers is guided by our Supply Chain Management System respectively Supplier Code of Conduct.

To ensure a robust supply chain from both environmental and social perspectives, MFD Rail has established various management systems.

3.2/ TOWARDS SUSTAINABILITY EXCELLENCE



In recent years, MFD Rail has participated in two international sustainability ratings and has continuously improved its rating results since then.

3.2.1/ EcoVadis

EcoVadis provides supplier sustainability assessments for global supply chains. We have achieved 80/100 points and a remarkable **gold medal** and are therefore among the **top 5%** of all companies evaluated.

3.2.2/ GRESB

GRESB provides ESG performance data and peer benchmarks for the real estate and infrastructure sector. MFD Rail proudly has a **3-star rating** of 91/100 points.

EcoVadis scorecard 2024

Overall score	80 / 100
Percentile	98th
ESG breakdown	
— Environment	80 / 100
— Labour and human rights	80 / 100
— Ethics	80 / 100

GRESB score 2024

Overall score	91 / 100	3-star rating
ESG breakdown	Peer group	GRESB
— Environment	50 / 50	avg 48
— Social	22 / 22	avg 21
— Governance	19 / 28	avg 21
		avg 26

4/ CONCLUSION / APPENDIX

1/ FOREWORD

Key figures	2024
Railcar fleet financed by green loans:	100%

3.1.1/ ENVIRONMENT

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3.2.1/ EcoVadis

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3.2.2/ GRESB

	2024	
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5/ OUTLOOK

A fully circular, smart and digital green fleet for climate stability.

We will consistently pursue our sustainability strategy and continue to set ourselves ambitious targets. Our focus remains on the continuous reduction of CO₂ emissions by contributing to the shift of freight transport to rail. We are firmly committed to ensuring that our customers do not transport goods that run counter to our sustainability efforts.

Within our “Green Loan Framework,” we ensure that our growth will continue to be based exclusively on sustainable and environmentally friendly financing. Supported by our capital providers, our growth plan guarantees the reliable and continuous provision of all types of intermodal railcars. We will continue to invest in expanding our modern and innovative intermodal fleet to optimally meet the needs of our customers. Thanks to the ongoing integration of digitalization and artificial intelligence, we will make our services even more transparent, flexible, and efficient.

At the same time, we will intensify open dialogue with our stakeholders to continuously incorporate their expectations and requirements into our sustainability strategy. We are convinced that through our commitment and actions, we will make a significant contribution to transforming European freight transport and achieving European climate targets.

Best regards

Markus Bayer



Sustainability Report 2024

This report covers the period from January 1 to December 31, 2024.

We are committed to continuous improvement in transparency and sustainability performance. Should you have any questions, feedback, or suggestions, we warmly invite you to reach out.

Publication date: June 2025.

Version 01/2025

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